REQUEST FOR WIND PROJECT PROPOSALS

BONNEVILLE POWER ADMINISTRATION

Power Business Line

Renewable Resource Program

February 22, 2001

1. DESCRIPTION OF SOLICITATION

1.1 Introduction

The Bonneville Power Administration (BPA) requests proposals from experienced wind energy project developers for the sale of electrical output to BPA under long term contracts from new wind energy facilities to be located in or near the BPA service area. The boundaries of the BPA service area are shown in Exhibit A.

BPA seeks proposals from wind project developers capable of designing, constructing, financing, and operating a commercial-scale wind energy facility. To receive serious consideration, proposals must incorporate state-of-the-art measures to minimize impacts to the environment and must be competitive on a life-cycle cost basis.

BPA reserves the right to reject any or all proposals.

1.2 Contents of this Request for Proposals

This Request for Proposals (RFP) consists of a statement of Project Requirements and a Response Format. The statement of Project Requirements describes the features BPA seeks in wind project proposals, the criteria that will be used to evaluate them, and other considerations. The Response Format describes the contents and format required for the Technical and Cost Proposals.

For a response to be considered responsive to this RFP, both a Technical and Cost Proposal are required. The Technical and Cost Proposals must contain the information and follow the specified format described in the Response Format section of this RFP.

1.3 Objectives

BPA's objectives in issuing this RFP are:

- To purchase output from several new commercial-scale wind power facilities or expansions of existing facilities, with priority given to facilities that can be expanded in the future as need arises
- To purchase comparable output at a cost that is competitive — after adding the cost of transmission and other services — with the lowest cost resources currently available to BPA
- To have the wind power projects achieve commercial operation as soon as possible, consistent with BPA's statutory obligations and minimizing impacts to the environment

This solicitation is not aimed at research, development, or demonstration projects.

1.4 Considerations Affecting BPA's Purchase of Wind Power

BPA will consider purchasing 1000 megawatts (MW) or more of output from of wind energy facilities. The amount BPA purchases will depend on the following considerations:

- Cost. On a life-cycle cost basis, and including the cost of transmission and other services needed to firm and shape wind turbine output, the cost of power must be comparable to the lowest cost alternative resources available to BPA under long term contracts.

  BPA is in the process of acquiring approximately 3000 average megawatts (aMW) of resources to serve loads during the fiscal year 2002-2006 rate period. Wind power purchased under this RFP would meet part of the 3000 aMW target.

  If the federal Production Tax Credit is not renewed, the cost impact may be such that none of the proposed wind projects will be able to meet BPA's cost criteria. We have decided to issue this RFP and proceed with environmental reviews despite this uncertainty.

- The initial purchase from a single project is limited to less than 50 aMW. Subsequent purchases involving the same site would necessitate BPA compliance with Section 6.(c) of the Northwest Power Act (described in section 2.8 below), which requires BPA to go through a lengthy public review process before it can acquire a resource greater than 50 aMW for a period longer than 5 years. We do not plan to initiate a 6.(c) process at this time in order to meet our goal of bringing new wind resources into operation as quickly as possible.

- Power System Impact Study. Before committing to add large amounts of an intermittent resource like wind power to the BPA system, we will assess its impact on power system operations such as generation control and scheduling. BPA is contracting to have a system-wide study performed to determine these impacts. The study will take approximately a year to complete and will be done concurrently with the environmental review (described in section 2.6 below) for the selected wind projects. A description of the power system impact study is available on request.

  If BPA decides not to execute power purchase agreements due to the results of the power system impact study, predevelopment agreements (described in section 2.9 below) would allow selected project developers to be reimbursed for certain costs under certain circumstances.

  The power system impact study referred to in this section should not be confused with the transmission system impact study that is done for an individual project, as further described in section 2.5 below.

- Risk Analysis. BPA will also perform an analysis of financial risk related to adding large amounts of a resource that is affected by weather to our predominantly hydropower system. The outcome of this analysis will also affect how much wind power may be purchased under this RFP.

1.5 Solicitation Schedule

The schedule for this RFP is as follows:

February 22, 2001	Publish Request for Proposals
March 7, 2001	Bidders Conference 9:00 a.m. - 12:00 p.m. Conference Room 122 Bonneville Power Administration Headquarters 905 NE 11th Street Portland, OR 97232 Check in at the Security Desk in the main lobby. The guards can direct you to the conference room. It is located next to the Public Information Office and the Library on the first floor. To participate by conference call, dial 503-230-3344. At the double beep, enter the passcode: 7317. Please note: There is a limited number of dial-in ports available (approximately 30-50). Parking is available at several pay lots in the area. BPA will distribute the questions and answers from the bidders conference by means described in section 1.9
April 6, 2001	Proposals are due by 3:00 p.m. Pacific Standard Time
April 30, 2001	Announce short list; begin contract negotiations

1.6 Where to Send Proposals; Deadline for Receipt

Submit ten paper copies of the proposal to the address shown below:

	Bonneville Power Administration Attn: Wind Project Manager, PGC/6
If by mail:	P.O. Box 3621 Portland, OR 97208
If by delivery service:	905 NE 11th Street Portland, OR 97232

Also provide a CD or email the file(s) containing the proposal to:

smriewer@bpa.gov

The file(s) must be in Adobe Portable Document Format (pdf) or Microsoft Word or Excel files.

All proposals must be received at the address shown above before 3:00 Pacific Standard Time (PST) on April 6, 2001, to receive consideration.

Unsolicited wind project proposals that were received by BPA before 3:00 p.m. PST on February 16, 2001, and include the information required in the Technical and Cost Proposals (described in sections 4 and 5 below) will be considered by BPA under this RFP and do not have to be resubmitted.

1.7 Withdrawal and Modification of Proposals

Bidders may withdraw their proposal and submit a revised proposal prior to the response deadline. After the response deadline, bidder-initiated changes will not be accepted. Bidders may withdraw their proposal from consideration at any time.

1.8 Confidential or Proprietary Information

BPA will not accept proposals or other documents that are marked to indicate the entire document is the confidential or proprietary information of the sender or that restricted handling is required. Normal business practices will be observed in handling proposal materials. If the bidder considers the Cost Proposal or wind resource data to be confidential or proprietary, those portions of the proposal must be clearly marked "Confidential" on every page.

1.9 Communication

All communication with BPA related to this RFP must be sent to the address shown in section 1.6, or emailed to:

smriewer@bpa.gov

Parties who request a copy of the RFP, attend the bidders conference, or send email regarding the RFP will be placed on an email distribution list. Questions and requests for clarification regarding the RFP — and BPA responses — will be distributed to everyone by email unless delivery by mail is specifically requested.

2. PROJECT REQUIREMENTS

This RFP is directed at experienced wind project developers with demonstrated ability to design, construct, operate, and maintain large-scale wind energy facilities. Respondents must be able to obtain property rights and wind leases and to furnish the design, labor, materials, and equipment necessary to construct and operate the project. Respondents must be able to obtain construction and long term project financing. Respondents must make arrangements with BPA's Transmission Business Line and other transmission providers (if necessary) to deliver the project output to an interconnection point on the BPA transmission system.

2.1 Threshold Requirements

Proposed projects must meet the following threshold requirements. Proposals that do not meet these requirements, as determined by BPA, will be rejected.

1. The proposal must be received before the response deadline, adhere to the Response Format, and contain all of the information requested in sections 4 and 5 below.
2. The project developer must have successfully built and operated commercial-scale wind projects.
3. The developer must demonstrate site control by providing copies of wind leases or other evidence that the developer has secured all land and access rights needed to construct and operate the facility for the length of the proposed power purchase agreement.
4. Output from the facility must be delivered to a BPA transmission line. Transmission considerations are discussed in section 2.5 of this RFP.
5. Each proposed power sale to BPA must be at least 15 aMW. To convert the expected annual output of the facility to average megawatts, divide the annual output (expressed in megawatt-hours) by 8760 hours.
6. Each proposed power sale to BPA must not exceed 50 aMW. However, sites that have potential for future expansion are strongly preferred.
7. The developer must provide estimates of hourly, daily, and monthly power production, as further described in the Technical Proposal section of this RFP.
8. The developer must be willing to grant BPA an exclusive option to purchase all of the output from the facility, or at least 50 aMW (for larger facilities). The option would be a provision of the predevelopment agreement (described below) and would be in effect until BPA has satisfied the requirements of the National Environmental Policy Act of 1969 (NEPA) and issued a Record of Decision as to whether BPA will purchase output from the facility.
9. The developer must be willing to cooperate in the environmental review required by the NEPA. NEPA requires federal agencies to consider the environmental impacts of any major decision before making a commitment. The NEPA process is described in section 2.6 below.

2.2 Preferred Characteristics

BPA strongly prefers proposals with the following characteristics:

1. The project area controlled by the developer has the potential for producing at least 50 aMW of wind turbine output.
2. The project employs proven wind turbine technology. Demonstrating new wind turbine technology is not an objective of this RFP.
3. At least one year of wind data has been collected at the site, with strong correlation to data from a long term wind monitoring site.
4. The project will achieve commercial operation by late 2003.
5. For sites capable of producing more than 50 aMW of output, BPA will strongly prefer developers who are willing to cooperate in the process described in Section 6.(c) of the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (16 USC 839) ("Northwest Power Act"). Section 6.(c) considerations are explained in section 2.8 below.

2.3 Project Design

The developer must design, engineer, procure, construct, install, and provide all support necessary to build a wind energy facility and deliver the output to BPA's transmission system.

The developer must secure all land rights, easements, and rights-of-way needed to construct and operate the facility.

The developer will be responsible for obtaining or updating any permits or agreements required for the project, including any wheeling agreements necessary to deliver project output to BPA's system. The developer will be responsible for costs of environmental impact mitigation, monitoring, and studies required during permitting, construction, operation, and decommissioning.

The developer will be responsible for operating, maintaining, and decommissioning the facility, and the associated costs.

Wind turbines must be appropriate for utility-grade operations and designed to have an expected life commensurate with the term of the power purchase agreement. Wind turbines must be procured from an established vendor of commercial wind turbines. Advanced wind turbine designs or important modifications to previous versions of the same turbine or auxiliary equipment components will be considered, provided other requirements of this RFP are met. However, field testing of new turbine designs is not an objective of this RFP, and proven designs will be preferred.

Electrical equipment, metering, and interconnection facilities must be selected, installed, and maintained in accordance with prudent utility industry practices and must comply with BPA's Technical Requirements for the Interconnection of Generation Resources, as further described in section 2.5.

2.4 Cost Proposal

BPA will consider cost proposals that contain fixed and variable components, are indexed for inflation, contain cost pass-throughs, or have other structures or terms. However, BPA will only consider purchasing output from the facility. BPA will not provide construction or long term financing for the facility. Federal law prohibits BPA from owning generating resources.

Cost proposals with variable components should indicate the major assumptions used in computing the value of the components over the contract term. If all or a portion of the price is to vary according to an index, indicate the source of the index and how the payment will be calculated. The cost proposal must contain sufficient information to allow BPA to evaluate the cost of power over the term of the contract.

The Cost Proposal must contain the information and follow the format described in the section 5 of this RFP.

The Cost Proposal should include the cost of delivering output to the BPA transmission system. In general, transmission charges applicable beyond the point of delivery will be paid by BPA unless otherwise agreed.

Because it is uncertain whether the Production Tax Credit will be renewed, all Cost Proposals must indicate the cost of energy with and without the effect of the Production Tax Credit.

Cost Proposals that depend on Congressional appropriation of the Renewable Energy Production Incentive (REPI) must so indicate, and must also indicate the cost of energy with and without the effect of the REPI.

BPA must receive the rights to all emissions credits and other marketable attributes of the facility.

2.5 Interconnection to the BPA Transmission System

Project output must be delivered to a point of interconnection with the BPA transmission system. Unless otherwise agreed, BPA will take delivery of output at the point of interconnection. The output may utilize transmission facilities of another utility to get project output to the BPA system, but the developer must pay the associated costs.

Requests for information about the capacity of BPA transmission lines and connecting to the BPA system should be directed to:

Bonneville Power Administration
Attn: Michael A. Raschio, Transmission Services Account Executive, TM-DITT2
P.O. Box 491
Vancouver, WA 98666-0491
5411 NE Highway 99
Vancouver, WA 98663
Phone: 360-418-8695

Copies of "Technical Requirements for the Interconnection of Generation Resources" are available in paper or MS Word file format from BPA's Document Request Line (1-800-622-4520; request document No. DOE/BP-3162) or by making a request to the address given in section 1.9.

Facilities necessary to deliver the output to the BPA transmission line and the cost of hardware and engineering services needed to connect to the BPA system are the responsibility of the project developer. In order to connect a facility to the BPA system, the developer will need to submit an interconnection request to BPA's Transmission Business Line. The Transmission Services Account Executive should be contacted for information regarding the cost and time required for studies related to the interconnection request.

An interconnection request does not have to be submitted prior to submitting a proposal under this RFP.

The cost of transmission services beyond the point of delivery and related transmission system impact studies will generally be the responsibility of BPA unless otherwise agreed. Please note: The transmission system impact study described in this section is not the same as the power system impact study described in section 1.4, which will assess the impacts of large amounts of wind power on generation control and scheduling.This RFP is issued by BPA's Power Business Line. Because of the functional separation between power and transmission functions that was mandated by the Federal Energy Regulatory Commission, BPA's Transmission and Power Business Lines are in most respects independent organizations. A strict code of conduct governs communication between the business lines. Developers should not assume that personnel in one part of the organization communicate with or influence the actions of the other part. Treat the business lines like two separate companies.

2.6 Environmental and Permitting Considerations

NEPA requires federal agencies to consider the environmental consequences of a major decision prior to making a commitment. BPA will have to do an Environmental Assessment (EA) or Environmental Impact Statement (EIS) before making a decision whether to sign a power purchase agreement for a new wind power facility or an expansion of an existing facility. BPA will have sole discretion to decide the level of environmental review required.

An EA typically takes 6 to 12 months to complete. An EIS typically takes 12 to 24 months. If an EA does not result in a Finding of No Significant Impact (FONSI), then an EIS would be required. If BPA concludes it will be unable to issue a FONSI, then we would do an EIS instead of an EA. Most power projects require an EIS. BPA will pay to have the EA or EIS prepared, but the developer will be expected to cooperate in the process. If part of the output from the facility will be sold to others, with a resultant increase in the scope and cost of the EA or EIS, cost sharing will be required.

State and federal wildlife agencies typically require wind power developers to do a four-season wildlife study before they will approve a project. The wildlife study can be done concurrently with an EIS, but BPA typically will not issue the draft EIS until the results of the study are known. The project developer will be expected to fund the wildlife study.

Project design must incorporate state-of-the-art measures to minimize potential avian mortality, noise, and visual impacts of the facility. The project must incorporate and comply with all mitigation measures identified in the EIS and Conditional Use Permit or required by the U.S. Fish and Wildlife Service or other permitting agencies.

If the project requires county or state permits, such as a conditional use permit or site certificate, the developer will be expected to obtain these permits and pay associated costs. BPA will cooperate in preparing an EA or EIS that can be used to satisfy county or state requirements.

At the earliest opportunity, the project developer should ascertain whether any Native American tribes have interests in the project area and are likely to oppose the project.

2.7 BPA Decision-Making Process

BPA will not make a final decision to proceed with the project until a Record of Decision (ROD) is signed by BPA's Administrator. Power purchase and other agreements could be executed immediately after issuance of the ROD. The ROD and power purchase agreement are subject to a 90-day appeal period. Appeals of BPA decisions are adjudicated in the U.S. Court of Appeals for the Ninth Circuit.

2.8 6.(c) Process

Section 6.(c) of the Northwest Power Act [also referred to as section 839d(c)(1) in 16 U.S. Code Chapter 12H, 1988 Ed.] requires BPA to perform certain actions before acquiring a resource larger than 50 aMW for a period longer than 5 years (a "major resource"). These actions include conducting public hearings regarding the proposed acquisition, receiving testimony, and issuing a written decision. The Northwest Power Planning Council determines whether the decision is consistent with their Power Plan then in effect and with other considerations detailed in the Northwest Power Act. BPA has been through the process only once, and it took almost a year to complete.

The need to complete a 6.(c) process does not necessarily prevent BPA from acquiring a major resource or from adding to an initial 50-aMW purchase (which can also trigger the process), but the time and effort necessary must be factored into the project schedule. The 6.(c) process can be done concurrently with the NEPA process.

The Northwest Power Act is available from BPA's Document Request Line (1-800-622-4520; request document No. DOE/BP-2186 "BPA Statutes") or by making a request to the address given in section 1.9.

2.9 Predevelopment Agreement

After developer selection, and agreement is reached on the terms of the power purchase agreement, BPA and the project participant(s) would execute a predevelopment agreement that would govern the actions of the parties prior to issuance of the ROD and execution of the power purchase and other agreements. The predevelopment agreement typically contains terms related to the reimbursement of

costs to the developer or BPA in the event either party decides not to execute the power purchase agreement.

An example of a Predevelopment Agreement is attached as Exhibit B.

2.10 Power Purchase Agreement

A power purchase agreement would be fully negotiated but not executed until after the ROD has been issued. The power purchase agreement would be an attachment to the predevelopment agreement.

An example of a power purchase agreement is attached as Exhibit C.

2.11 Schedule

A sample schedule for completing the solicitation, environmental review, decision-making, and project construction is attached as Exhibit D.

3. RESPONSE FORMAT

3.1 Introduction

This section contains the instructions for preparing the Technical Proposal and the Cost Proposal. The Technical and Cost Proposals must be bound or stapled as separate documents.

If more than one proposal is submitted, each proposal must be submitted as a separate set of documents that includes the requested project information. A minimum set of mandatory information is required to ensure an adequate description of the proposed project. A prescribed format for the proposal is given to facilitate preparation and evaluation.

The merits of a proposal depend on: (1) how well the proposal demonstrates understanding of and meets BPA's objectives and requirements; (2) the bidder's qualifications; (3) the cost proposal; and (4) the bidder's responsiveness to the technical and cost proposal preparation instructions, which follow. Additional material may be presented beyond that requested only if it is necessary for clarification of the proposal. Elaborate proposals, lengthy discussions, and non-critical attachments are discouraged.

3.2 Proposal Details and Format

The proposal should present the bidder's plans for the project based on the concepts given in the Project Description, the details requested below, and how the bidder expects the project to proceed.

The proposal must be organized and have the requested information in the sequence presented below. Sections must be numbered and identified as given below. Additional subsections may be defined if they will help present and identify important material. If a requested item is not known or is not applicable, so state in that section of the proposal. Relevant documents may be cited, but copies are not expected to be included as part of the proposal at this time unless specifically requested.

Proposals must be typed single space on 8.5x11 inch paper with each page numbered. Proposals must also be submitted as computer files in Adobe Portable Document Format (pdf) or Microsoft Word or Excel. The computer files should be submitted on a CD or emailed to smriewer@bpa.gov.

Proposals that do not meet the requirements of this section may be considered nonresponsive.

4. TECHNICAL PROPOSAL

4.1 Cover and Title Page

State the name of the project, company name, date of the proposal, the person responsible for the proposal preparation, and all cosponsors currently participating in the project. The cover page shall include the legend "Technical Proposal for Evaluation Purposes by or on behalf of the Bonneville Power Administration." Number each paper copy on the cover.

Clearly state that this is the Technical Proposal volume on both the cover and title pages. Number each copy of this volume from 1 to n, where n is the total number of copies submitted.

4.2 Project Summary

Summarize the project, including key elements such as the location, size (in acreage and megawatts), expected annual output (in megawatt-hours), type of turbines to be used, source of wind data, interconnection plan, environmental issues, permitting status, planned financing, proposed construction schedule, other participants in the project (such as other output buyers, if any), and current status.

4.3 Project Description

Describe the project in greater detail. Describe the project's features and the development work completed to date. Include the following information (this list is indicative, not exhaustive), and indicate if requested information is not known:

- Project location. Provide a map showing the location and arrangement of key facilities.
- Project size, in acreage and megawatts. If the project can be expanded, please describe.
- Expected annual and monthly output (in megawatt-hours) of the facility. A graph showing monthly output is suggested.
- The description, size, number and manufacturer of wind turbines that will be used. If a final wind turbine selection has not been made, list the candidates under consideration and the status of the decision.
- Where the facility will connect to the BPA transmission system, and any new transmission facilities that will be required.
- The schedule for permitting and construction. The expected date of commercial operation.

4.4 Project Site and Expansion Potential

Describe the size of the wind power plant (number of units, nameplate capacity, and estimated annual output) to be installed as part of the proposed project. If additional wind turbines could be installed in

the future, estimate the potential total installed nameplate capacity and annual output of wind turbines that could be installed at the site.

4.5 Site Control

Provide documentation of site control, including wind rights, access road, and transmission corridor easements needed to construct and operate the facility during the term of the power purchase agreement. An example of such documentation would be copies of lease or lease option agreements with land owners. Confidential commercial terms such as payment amounts may be blacked out.

4.6 Project Output

Provide an estimate, in tabular form, of net hourly, daily, and monthly project output in megawatt-hours. Provide this information separately as an Excel file. Describe how the estimate was derived. State the project loss factors you have used for:

- Availability
- Array or wind turbine interference
- Transmission
- Control and turbulence
- Other (blade soiling, etc. — describe)

4.7 Wind Resource

Describe the source and basis of the wind speed data used in the development of the proposal. Include the purpose and location of the data collection, period of record, levels of measurements and seasonal data recovery, and the organization responsible for the data collection.

Describe the wind data collection program for the site. Discuss how the long term annual expected energy from the project will be established.

Provide monthly average wind speeds at data sites for different height levels, and the location of those sites (latitude and longitude). Show the site locations on a map with the proposed project area. Provide monthly hub height average wind speeds and describe how they were projected (from site data at hub height or by other means — describe).

Provide a wind frequency distribution at intervals of 1 mph or 0.5 m/sec (consistent with the wind turbine power curve provided in section 4.8) for the periods April-September and October-March. Provide these tables in the written proposal and separately as an Excel file.

4.8 Major Equipment

Describe the selection criteria and process that was used to select the wind turbine. Describe past operating experience, if any, with the selected turbine and manufacturer.

Provide technical specifications for the selected turbine.

Provide a table of wind turbine power output (in kilowatts) versus wind speed adjusted to site altitude. The wind speed increments should be in 1 mph or 0.5 m/sec increments consistent with the wind data in section 4.7. Provide this table in the written proposal and separately as an Excel file.

Describe the other major wind plant components, such as towers, controllers, major electrical components, and software. Identify the suppliers and provide technical specifications.

Include the schedule for procurement and delivery of the turbines and other key components of the project in the schedule requested in section 4.12.

4.9 Transmission Availability and Electrical Interconnection

Identify the expected interconnection point to the BPA transmission system. Discuss any new pole lines, line upgrades, switchyards and substation work required to complete the interconnection. Include information on ownership and maintenance responsibility.

Discuss the distribution or transmission grid capacity at the interconnection now, after planned upgrade work, and then after the project is in full operation.

If transmission facilities of another utility will be used, provide the name, title, address, and phone number of the person at the utility with whom the developer has been in contact.

Provide copies of transmission system impact studies, interconnection studies, and correspondence with BPA's Transmission Business Line related to the availability of transmission capacity for the proposed wind project and whether system upgrades will be needed to integrate the project.

Discuss the availability of transformers and other long-lead electrical equipment that will be required to support the project.

Describe plans for metering the energy from the project.

Include the schedule for completing the expected electrical interconnection work in the schedule requested in section 4.12.

4.10 Environmental Review, Key Permits, and Consultation with Tribes

Discuss known environmental issues relative to the development and operation of the project, including avian issues and baseline noise levels. If possible, provide a copy of an up-to-date listing of candidate, listed, and proposed endangered or threatened species habitat in the proximity of the project. This listing can be obtained from the U.S. Fish and Wildlife Service.

Provide copies of any wildlife or other environmental studies that have been performed related to the project. If such studies are in progress, describe them and identify the person(s) or firm(s) doing the studies.

Describe measures that will be taken to minimize the potential for avian mortality, noise, and visual impacts of the facility.

Identify the key permits (such as a conditional use permit or site certificate) required to build and operate the project. Discuss their current status, the schedule for obtaining key permits and approvals, and the approach to be used. Include this schedule in the schedule requested in section 4.12.

Outline the process you plan to follow to involve local residents in the planning/permit process.

If the project is located in an area that is ceded land or may have been historically used by a Native American tribe, describe any contacts that have been made with the tribe (include names and phone numbers) or plans to consult the tribe regarding the project.

4.11 Developer Experience and Project Participants

Include background information indicating why the proposer is qualified to bid on the RFP.

Identify existing projects developed and/or operated by the bidder.

Identify the organizations and key personnel responsible for implementing the project. Identify the project manager, his/her tenure, and scope of responsibility.

Identify the management structure and key managers who will be responsible for the following technical work area:

- Project wind resource assessment and energy projections
- Power plant design, engineering and construction specifications
- Interconnection and substation design
- Project environmental assessments
- Permits and related approvals
- Power plant construction and commissioning
- Power plant operations
- Power plant maintenance

Include a brief description of the wind power and other relevant experience of the key personnel for their responsibility area listed above.

Identify contacts and references (name, title, address, telephone, and fax numbers) knowledgeable about the previous wind project experience of the key participants in the project.

Discuss any existing and planned relationships with other utilities, developers, vendors, subsidiaries and others that will participate in the planning, development or operational phases of the project, including potential purchasers of output from the wind project (other than BPA). This does not include ad hoc project consultants or contractors.

Identify the wind power related consultants and contractors you expect to use on the project.

Discuss who will be responsible for the routine operation and control of the wind plant, their qualifications, and when they will assume that responsibility.

Identify third parties, if any, that will be used to finance the project. Discuss the assurance of such support.

4.12 Schedule

Provide, in a format such as a Gantt chart, the best schedule estimates available on the various project activities, covering the period from the date a predevelopment agreement is executed (assume July 27, 2001) through the project's commercial operation. Include the time lines requested in other sections of this Technical Proposal so that all schedules are together. Provide any additional time lines applicable to the project that help to show its status and plans.

4.13 Additional Information

Describe plans for decommissioning the project and any related environmental issues.

Provide additional information, with appropriate headings, that will help describe the project and plans.

5. COST PROPOSAL

Provide a Cost Proposal that presents the cost of power delivered to the point of delivery on the BPA transmission system. In preparing cost proposals, bidders should assume that all project functions will be provided by the bidder except where stated otherwise in the Project Requirements.

5.1 Cover and Title Page

Show the name of the project, company name, date of the proposal, the person responsible for the proposal preparation, and all cosponsors currently participating in the project. The cover shall include the legend "Cost Proposal for Evaluation Purposes by or on behalf of the Bonneville Power Administration." Number each paper copy on the cover.

The Cost Proposal must include the information described below.

5.2 Key Terms of the Predevelopment and Power Purchase Agreements

State the proposed terms of the predevelopment and power purchase agreement, including:

- Length of the proposed power purchase agreement (in years)
- Cost of project output
- Options to extend the agreement, if any
- The bidder will grant BPA an exclusive option to purchase all or a portion of the output from the facility, such option to be in effect until BPA has completed the environmental review required by NEPA, has fulfilled any other statutory obligations, and has issued a Record of Decision whether to execute the power purchase agreement. See section 2.7 of the RFP for more information.
- The bidder will cooperate in the NEPA process. See section 2.6 of the RFP for more information.
- The bidder will cooperate in a 6.(c) process, if applicable. See section 2.8 of the RFP for more information.
- BPA will receive the rights to all emissions credits and other marketable attributes of the facility.

5.3 Cost of Project Output

Provide a proposed cost of project output. If the cost of output depends on the Renewable Energy Production Incentive (REPI) or on renewal of the Production Tax Credit (PTC), provide two cost proposals — one that includes the REPI or PTC and one that does not include the REPI or PTC.

Cost proposals with variable components should indicate the major assumptions used in computing the value of the components over the contract term. If all or a portion of the cost is to vary according to an index, indicate the source of the index and how the payment will be calculated. If part or all of the cost is a pass-through of actual costs, indicate the cost elements that would be passed through and provide an estimate of the amount.

The cost proposal must contain sufficient information to allow BPA to evaluate the cost of power — and the sufficiency of funding for maintenance, replacement, and decommissioning, if applicable — during the term of the power purchase agreement.

Identify any planned grants or other outside funds that are critical to the project or that will affect the cost proposal. Estimate the schedule for these funds and the confidence that these funds will be available. Such funds would include the Renewable Energy Production Incentive.

See section 2.4 for further information regarding the Cost Proposal.

6. PROPOSAL EVALUATION AND SELECTION

6.1 Proposal Evaluation Process

Each proposal received on time will be reviewed and evaluated by a proposal evaluation panel composed of BPA staff and consultants. Qualified third party consultant(s) that have signed non-disclosure agreements with BPA and conflict of interest statements may be used at BPA's discretion.

Proposals will be screened to determine if they contain the requested information in the required format. Proposals that, at BPA's sole discretion, meet these criteria will be designated *responsive* and proceed to the next level of evaluation. Proposals that do not meet these criteria will be designated *non-responsive* and set aside.

Responsive proposals will be evaluated and ranked according to the following criteria:

1. Compliance with the threshold criteria (see section 2.1). Proposals that do not satisfy the threshold criteria will not receive further consideration.
2. Compatibility with preferences (see section 2.2). Proposals that are not compatible with BPA's preferences may not receive further consideration.
3. The degree to which the proposal meets the goals of the RFP
4. Proven capability to build and operate commercial-scale wind energy facilities
5. Site potential (e.g., how much power can it produce; what is the potential for expansion)
6. Technical feasibility, including availability of transmission capacity
7. The degree to which output from the facility can serve BPA's loads
8. Environmental and tribal considerations
9. BPA's past experience with the project developer, if any, and the experiences of others (i.e., the developer's track record in the wind industry)
10. Estimated life-cycle cost of the project, including the cost of services that must be provided by BPA's Power Business Line. BPA will consider levelized life-cycle cost, first-year cost, and the shape of the cost stream when evaluating cost proposals. We currently use a discount rate of 13%.

As part of the evaluation, BPA will compute the cost of services necessary to make wind turbine output comparable to a firm resource. If the developer provides adequate data, we will compute the cost based on the data. Otherwise, we will estimate the cost.

Each responsive proposal will be evaluated for non-price factors before the Cost Proposal is considered. Proposals will be ranked overall according to this total set of proposal evaluation criteria.

The proposal evaluation panel may determine that the threshold requirements have been met but that additional information is needed to fully evaluate a proposal. Information or required details may be sought from the proposer in the form of additional written material or oral presentation that will expand

upon the original material presented in the proposal. BPA has sole discretion to declare a proposal nonresponsive or request additional information.

6.2 Developer Selection and Contract Award Process

The responsive proposal(s) with the best overall score will move into the contract negotiation stage. If no proposals are deemed satisfactory, BPA may return all proposals and issue a new solicitation.

The top ranking bidder(s) will be contacted to confirm details relative to their Technical Proposal, Cost Proposal, development schedule, and compatibility with BPA's decision-making schedule. A letter of intent to enter into contract negotiations will be sent to the bidder(s). Best faith efforts will be made at this stage by BPA and the selected bidder(s) to establish contract terms that meet the respective parties' requirements. If this is not possible within 90 days of issuing the letter of intent, the proposal may be eliminated and the process may be repeated for the next adequate proposal.

7. EXHIBITS

Exhibit A	BPA Service Area
Exhibit B	Example of a Predevelopment Agreement (to be available prior to the bidders conference)
Exhibit C	Example of a Power Purchase Agreement (to be available prior to the bidders conference)
Exhibit D	Schedule for wind project development